MINISTRY OF FORESTS

B.C. Forest Service review of U.S. Forest Service's 'Pilot' project

August 1991

Province of British Columbia
Ministry of Forests

92-01359/

U.S. Forest Service 'Pilot' project review

Introduction

The British Columbia Ministry of Forests' executive commissioned a team of forest district employees to evaluate the United States Forest Service's initiative of 'Quality Culture in Government' . . . the USFS *Pilot* project.

The team was asked to visit representative offices of the U.S. National Forest system to discuss *Pilot* with their U.S. counterparts and to consider application of their findings to the B.C. Ministry of Forests.

The findings suggest that the *Pilot* project is simple in its approach, dramatic in its results, and significant as a model for organizational change.

Background

By the 1980s, the U.S. Forest Service had become an organization burdened with rules, regulations, and internal procedures (see Figure 1).

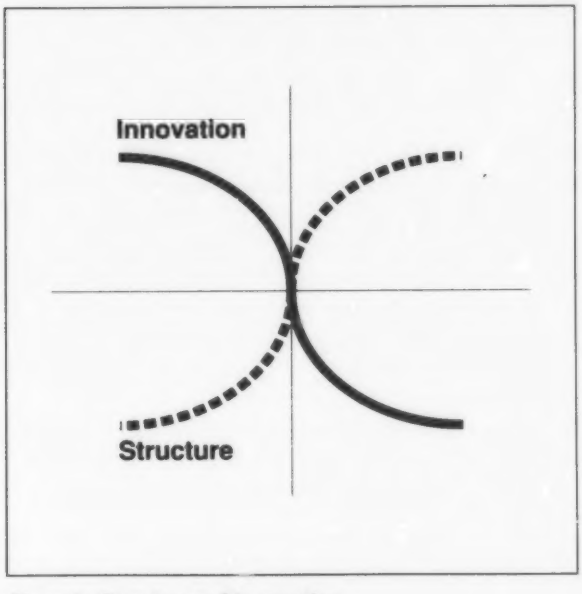


Figure 1: ***Structure and innovation***

The left side of the drawing represents the beginning of an organization, when the motivation to perform is high and the structure associated with the creative process is low.

As the organization grows, the driving spirit begins to wane and meeting procedural and control needs begins to take priority over meeting goals and responding to the changing environment.

Over time, the accumulation of this internal control and processing was compromising the ability of employees to effectively carry out their jobs.

Despite much energy and effort to modify processes already in place, only marginal improvements resulted.

In 1985, then associate chief forester, Dale Robertson, initiated an approach that concentrated on reducing, not modifying, the existing bureaucratic red tape.

This approach, operating under the name of *Pilot*, looked to employees as the driving force to eliminate or reduce the internal barriers to productive work.

Four test sites were selected in 1985:

- three National Forests; and
- one research station.

The test sites operated with only a few guidelines:

1. **Legality:** freedom to change or eliminate any process as long as the activity was within legal bounds (see Figure 2).

Figure 2: ***Legal boundaries and the safety area***

Dale Robertson drew two circles for the staff members at the Pilot *sites.*

The outside circle represented the legal and policy bounds of action; the inner circle was a fail safe area, the area that makes an organization comfortable, and sometimes counter-productive.

Robertson urged Pilot *employees to move closer to the outer perimeter.*

2. **End results budgeting:** each site participates in the normal budgeting process. *Pilot* sites are not treated preferentially. *Pilot* budgets are allocated as a lump-sum and are not required to track spending by line item. Emphasis is on end results and achievements. Any savings remaining within the unit, once goals are achieved, can be spent on priorities of their choice.
3. **Personnel:** ceilings were removed in test units. Staffing was discretionary within the allocated budget.

4. **Employees empowered:** units were given maximum flexibility; employees were challenged to lead with innovative changes while managers were to test the recommendations.
5. **Attitude change:** nothing to be imposed from the top. The intent was to foster an environment that would encourage new ideas, new approaches. Encourage learning by doing, recognize that there are no failures. Ideas that do not work will be viewed as learning experiences and a new idea tried.

A National Steering Committee consisting of the agency's top line officers, (including Dale Robertson), was set up to review those ideas that could not be approved through local authority.

The function of the steering committee was to find a way to say "yes".

In *Pilot*, the onus was on upper management to justify a refusal, rather than on test-site employees to extensively justify each request.

Regional foresters were included in the process but without their staff officers.

It is significant that Dale Robertson went directly to the field level of his agency to initiate this organizational change. He feared that involving the layers of professional staff and the normal Forest Service channels would risk paralysis by analysis. He reasoned that the key to success was less emphasis on control and more emphasis on innovation . . . from the bottom-up.

After five years, the approach called *Pilot* is clearly a success, both quantitatively and qualitatively.

Pilot has fostered a work environment and an attitude that encourages creativity, participation, and enthusiasm.

Its results fully support the original premise: employees, when trusted and empowered to do the job they were hired to do, will perform in creative and professional ways.

In 1989, Dale Robertson, chief of the USFS, chartered a new management philosophy for his agency based on *Pilot*.

It is now being implemented.

Observations

Throughout the visits to various USFS *Pilot* sites, the following important points were observed:

1. This initiative was led from the top, driven from the bottom, and resisted by the middle.
2. Executive support is key:
   - encourage and support risk-taking;
   - follow-up support of initiatives taken by test sites; and,
   - constantly encourage bottom-driven proposals.
3. Empower people to achieve end results:
   - go outside policy, if necessary, but stay within the law;
   - encourage reasoned but reasonable decisions; and,
   - measure success on the basis of end results.
4. Maximize delegation:
   - give authority/decision-making to the lowest, effective level as allowed by law and staffing levels;
   - minimize control; and,
   - maximize dollars and FTEs to the lowest possible level.
5. Middle managers must move from being controllers to being facilitators, advisors, and supporters.
6. *Pilot's* emphasis or focus is internal, on the employees; goal attainment and customer service are the bi-products of a motivated, confident, and empowered staff.
7. Communication is important:
   - acknowledge quick successes to stimulate further suggestions and reinforce participation; and,
   - track and publicize all suggestions — note all suggestions. When suggestions are not implemented, reasons must be given why.
8. Quick implementation was essential — paralysis by analysis did not occur.
9. Establish simple mechanisms to measure success.
10. USFS experience suggests 'Corporate Culture Change' is not a static process.
11. *Pilot* units were chosen because of the leadership qualities and progressive attitudes displayed within those units.
12. A commitment was made that no person would lose their job due to this initiative. There were changes in duties or locations but no jobs were lost.
13. 'Esprit de corps' and a 'can do' attitude among staff at all levels is a major benefit. There are still more ideas for change and barriers to remove but no one wants to return to the days before *Pilot*.
14. Awards to individuals and group awards have contributed to improved morale and efficiency but must be carefully considered before implementation — awards may produce negative results.
15. Suggestions for change were implemented quickly when reasonable. Where suggestions were not implemented, it was necessary for the person turning a suggestion down to supply a reason for the decision.
16. The *Pilot* philosophy provided a logical basis for many responsibility centres to move from

functional decision-making to an integrated team approach for decision-making.

17. 'Lump-sum' budgeting was popular. However, recent controls have been introduced to limit this concept. The idea should be pursued to allow responsibility centres maximum flexibility in dealing with budgets and allocation while maintaining initial efforts to attain higher-level goals.

USFS 'Pilot' achievements

The following points provide examples of gains that we observed and that we might expect to benefit by implementing a similar philosophy in the B.C. Ministry of Forests.

❑ **Budget and goal flexibility**

After achieving broad organizational goals, responsibility centres could transfer any dollar or time savings to complete additional goals based on the priorities of the individual unit.

Output:

- incentive for efficiency—employees saw a direct benefit for efficiency; and,
- satisfaction and pride in achieving 'local' goals.

❑ **Transfer of dollars and staff to the lowest operational level**

Region 9 (Milwaukee Eastern) took the initiative to move funds and staff to the field level: all operational dollars were put in the national forest offices:

- staff levels in the regional office went from 350 positions before the *Pilot* project to 200 in four years, with a goal of reducing positions to 180 by 1995;
- before *Pilot*, 54 per cent of the regional budget was distributed to national forest offices; now 72 per cent of the budget is distributed to field offices; and,
- regional staff managers have no power by way of money or budget handouts, such as special projects; staff advisors put their efforts into developing direction and training and are assisting line people with executive responsibilities.

Output:

- operational field staff have control of their programs; and,
- fewer people and much less time is involved in decision-making.

❑ **Notable productivity increase.**

The average increase in productivity for all *Pilot* units over the past several years has been 10 per cent per year. The average productivity gain for the U.S. government has been less than one per cent.

❑ **Increased morale**

A notable 'esprit de corps' was obvious at all sites visited. A 'can do attitude' was prevalent among employees.

Most employees felt each person made a valuable contribution to the organization. This attitude kept individuals wanting to test new limits.

❑ **Workforce diversification**

Work force diversification is being actively practiced in these centres.

Career path opportunities are being opened to resource managers from all disciplines; previously, advancement was limited mainly to foresters.

❑ **Team building**

A team approach to decision-making at all levels was being developed and used to make the best integrated decision initially, rather than go through bureaucratic referrals.

Archaeologists and botanists took an active role in timber sale layout at the ranger district level.

Strategy teams in the region looked at long-range plans, problems, budgets, and targets as a team rather than as individual disciplines.

❑ **Direct time savings**

The Ochoco National Forest office reports that they saw a combined 10-per-cent time saving as a result of a more streamlined budgeting process.

Administrative staff became responsible for the budgeting process, freeing program managers to implement their workload.

❑ **Leadership and staff development**

Washington headquarters reports that a higher number of supervisors are being recruited from *Pilot* test units than other USFS units.

❑ **Suggestions for change — innovation**

Region 9, Milwaukee, has recorded over 10,000 suggestions for change, resulting in increased efficiency and monetary savings during the four-year testing period.

These suggestions came from all levels, showing the employees' desire to contribute to, and improve, the organization.

❑ **Public and client satisfaction**

A number of examples were provided. They indicated that, through suggestions and innovation, operations were streamlined to save time and produce better client services.

- On the Mark Twain Forest, grazing permits were issued by the local ranger district in a few hours. Previously it had taken several weeks and involved a number of additional staff.
- On the Ochoco Forest, suppliers were allowed to be paid by direct voucher immediately on supply,

promoting better service, happier local merchants and time savings for USFS staff.

- A receptionist in the Willow Springs Ranger District in the Mark Twain National Forest initiated distribution of commercial canoe rental brochures after seeing numerous customer requests for information being re-directed.

Such initiatives save time and money and provide more individual employee satisfaction and client satisfaction.

In many cases, the measuring of productivity increases due to higher employee morale will be difficult and may take a long time.

However, since extra staff will always be difficult to obtain, we should stress the gains made by improving output from existing staff.

This output can be increased by cutting non-productive job functions and bureaucracy, and improving employee initiative, innovation, and job satisfaction.

Conclusions

1. The B.C. Ministry of Forests is at present a more decentralized and streamlined organization than the USFS was prior to the *Pilot* test. Nevertheless adopting a management scheme similar to *Pilot* can provide many benefits to the ministry including:
   - higher employee morale;
   - more efficiency and productivity from employees;
   - time savings by reducing non-productive workload; and,
   - better client/customer/public service.
2. A quick start is essential. We should not study it to death. Test units are a good way to introduce the concept and develop experience and working plans without disrupting the entire organization.
3. We need to develop an overall vision statement. There are no silver bullets. Desired results are brought about by commitment to the vision statements, hard work, and encouragement at all levels.
4. Ninety per cent of all suggestions for improvement come from the lowest levels of the organization. These suggestions must be handled efficiently and concluded in a timely manner. A suggestion that is not approved must be qualified before the 'no' will be accepted.
5. The process must have a committed leader in our executive and a dynamic and committed co-ordinator in Victoria. Without leadership and coordination the process may falter. With leadership and coordination, the process will gain momentum from the bottom up and will be impossible to turn around.
6. Creativity, innovation, and flexibility will be carried out within the limits of the law, budget constraints and the achievement of set goals. Provincial policy will continue to change to meet the needs of the changing organization.

Recommendations

On the basis of our observation, discussions, review of literature and the conclusions reached, we offer the following recommendations:

1. An early implementation of a trial project should be undertaken with the objective of moving toward ministry-wide implementation within one to two years. The size of the trial project should be determined in the implementation plan.
2. The executive must visibly show their support to all levels of the organization and frequently reconfirm their support.
3. Early in the process, a 'vision' statement should be developed and communicated.
4. A provincial co-ordinator, who is enthusiastic, innovative, and fully supportive of the project, be named to organize and co-ordinate implementation of the project. This person must have a solid district operations background.
5. Suggestion for innovation must be handled quickly and efficiently (within 30 days). All suggestions must get a response. A decisive statement must be made about implementation or study if additional information is needed. Where a suggestion is not approved, more than one level of the organization should be involved in the decision not to implement.

Action plan

1. Establish a timeframe for implementation:

   September 1 to December 1, 1991:
   - review and discussion by the executive;
   - establish a process co-ordinator in Victoria;
   - develop a 'vision' statement; and,
   - communicate proposal to branches, regions and districts.

   December 1991:
   - select representative responsibility centres to test the philosophy and approach.

   January to March 1992:
   - kickoff the process in selected responsibility centres — executive involvement, employee communications, quick success.

   April 1992 to March 1993:
   - allow test centres to run and try new ideas.

January 1992 to March 1993:

- decide on continuation of project, expansion to all centres, or a new course of action.

2. Establish a 'provincial process co-ordinator' with a direct co-ordinator in each test centre to:
   - quickly and efficiently deal with proposed change, record suggestions, make implementation suggestions, and respond to person with final decision or action plan; and,
   - co-ordinate, liaise, advise, and be a focus for communication for the process.
3. Select trial responsibility centres.
   - select a representative sample of districts, regions and branches as trial centres; limiting initial involvement has the advantage setting up for a one-year period (de-bugging) without upheaval of our entire process; a representative sample would be 10 districts, distributed throughout the province, two regions and two branches; and,
   - allow non-test responsibility centre employees to make suggestions.
4. Key ingredients for success.
   - high level of visible executive commitment;
   - trust from top down and bottom up;
   - risk-taking encouraged;
   - accept failure as part of process; and,
   - choose co-ordinator with district operations background.

This management philosophy can survive any changes forthcoming from:

- the Forest Resource Commission's recommendations;
- the Round Table on the Environment and Economy; or,
- government direction.

U.S. Forest Service 'Pilot' project review

Appendix I

Evaluation process

In May 1991, the Ministry of Forests' executive commissioned a number of forest district personnel to evaluate the USFS's national *Pilot* test.

Staff were selected from each of the six forest regions and from different district programs. The six members were:

- Bob Clark, district manager, Vanderhoof forest district (chairman);
- Alex Maas, manager, finance and administration, Williams Lake;
- Ken Matthews, resource officer, timber, Port Alberni;
- Ted Evans, resource officer, planning, Arrow;
- Brian Brown, field operations supervisor, Penticton; and,
- Lucy Stad, forest technician, Kispiox.

The team met initially in Victoria on May 28 to develop a plan an action.

Terms of reference:

Visit a number of USFS offices, talk to staff, evaluate *Pilot* successes and issues, and make recommendations to the executive by July 31 with respect to its viability in the Ministry of Forests.

Objective:

Talk to individuals with responsibilities similar to ourselves. We wanted a wide range of opinions on *Pilot*, so we chose to visit a regional office and the Washington office, along with district offices. Each of these units were a part of *Pilot*.

Strategy:

Travel to:

- the Ochoco National Forest in Oregon;
- Region 9 Headquarters in Milwaukee;
- the Mark Twain National Forest in Missouri; and,
- USFS headquarters in Washington, D.C.

Preliminary contact was made with each of the *Pilot* coordinators in each of the offices. They set up group discussions and visits to various ranger districts and staff officers.

Discussions were held with employees at virtually all levels of the organization and employed in a wide variety of functions.

The visit to the United States lasted 12 days. Travel consumed four days and there was one day off. This left seven days to talk to more than 70 individuals in 10 separate offices.

The following is a summary of the schedule:

- June 23: leave from Vancouver
- June 24 and 25: Ochoco National Forest
- June 26: travel to Milwaukee
- June 27 and 28: Region 9 headquarters in Milwaukee
- June 29: day off
- June 30: travel to Rolla, Missouri
- July 1 and 2: Mark Twain National Forest
- July 3: USFS headquarters in Washington, D.C.

❑ **Ochoco National Forest:** On June 24, we were greeted by Rod Collins, *Pilot* coordinator, and Ollie Jones, acting forest supervisor. We met with various staff officers and were given presentations on *Pilot* along with a tour of their office and their GIS system.

On June 25 our group split into three teams. Two teams went out to ranger districts with district staff and one team met with management and administrative personnel in the forest headquarters.

❑ **Milwaukee Eastern Region 9 Headquarters:** On June 27 our committee was greeted by John Locke and Karl Mettke, *Pilot* coordinators for the region. We attended the management team's daily morning briefing, toured the office, and attended various meetings where *Pilot* was the primary discussion topic.

On June 28, much of the same occurred involving various staff officers with a wrap-up in the afternoon.

❑ **Mark Twain National Forest:** On July 1 our committee was split up to spend a day with staff in three ranger districts.

July 2 involved a group discussion with staff officers in the forest headquarters office.

❑ **Washington Headquarters:** July 3 was spent in discussions with Bill Delaney, national *Pilot* coordinator, and George Leonard, associate chief forester.

CHARTER

Preamble

Over the past 80 plus years the Forest Service has been one of the most responsive and effective organizations in government. Our reputation for "excellence" is one to be proud of, but continued success depends not on holding the status quo, but on our ability to adapt to changing times. Our job has become far more complex and challenging than at anytime in our past. Demands on our time and dollar resources are increasing; issues are vastly more complex; and our external environment is becoming far more turbulent. We simply must find ways to expand beyond current limitations and ways of doing business if we are to continue to manage the National Forest lands and carry out our Research and State and Private Forestry Missions effectively.

We can meet this challenge by departing from the traditional ways we do business, by refusing to accept mediocrity and to be overwhelmed and stymied by the "bureaucracy," and by adopting the philosophy that has evolved from the Pilot Test. In the framework of this approach, the spectrum of what is possible—the "field of play"—is redefined. The field becomes larger and boundary markers fewer and farther apart. Our opportunities and possibilities for meeting today's demands and challenges are greatly enhanced.

This philosophy is people oriented. Simply put, it means that we stake our future on our people: the workforce is the key to sustaining and improving the qualities of excellence that have long characterized the Forest Service. Our approach to management comes now from a different perspective. Rather than directing people to manage in accordance with established rules and procedures, we define our objectives and focus on creating an environment that will allow our people to apply their full resources to the accomplishment of the job.

Key Principles of Management

The following principles are set out to guide our people in adopting this philosophy and making the transition to a new culture in the workplace:

The Forest Service is a workplace where—

- All directions, procedures, and operations begin with a focus on the needs of our customers.
- Quality results count; process is secondary.
- People are important, trusted, and empowered by being given the fullest authority and responsibility consistent with their capabilities.
- People have the opportunity and operating flexibility to exercise independent judgment.
- Individual skills and cultural diversity are valued and sought out as important assets of the organization and key resources for solving problems.
- Managers provide a climate where responsible risk-taking is encouraged and rewarded, and failures are acceptable learning experiences.

- Creativity, innovation, and enteprenuership are viewed as critical to our success and fostered at every level of the organization. Pilot testing new ideas on the cutting edge is a traditional mode for remaining competitive.
- The manager's role (both line and staff) in the organization is one of guiding, educating, advising, and encouraging rather than regulating and controlling. The tone of direction is shifted from "limits and controls" to one of "promoting people's full potential—expanding and encouraging ideas and skills."
- Nonconformists, risk-takers, and innovators are encouraged and are key to meeting the challenges of a changing future.

Guidelines and Limits

Operating freedom and flexibility, new ideas, creativity, risk-taking and experimentation do not preclude sound control, accountability, and an absolute bias for integrity. The Forest Service clearly has a stated mission, strategies, central thrust, and priorities that dictate what work will be done. Likewise, there are laws and rules for every organization that define the boundaries of operations and are basically outside the arena of innovation and experimentation. The following policies provide guidance to managers for operating under this new philosophy:

Legality. Innovations, risk-taking, and experimentation must be conducted within legal bounds. If it's not legal, we don't do it.

Basic Policy. Policies that set the major courses of action for the Forest Service must not be compromised as we explore creative and innovative ways to get the job done.

Budget Integrity. At all levels of the organization, work is accomplished within the limits of the funds allocated.

Targets are important. Goals, priorities and targets set by Congress and the Administration are important and we will do our best to achieve them.

Philosophy

Our basic approach to managing our people can best be summed up as follows:

We have dedicated and hardworking people who want to do a quality job. We trust them. In caring for the land and serving people, our people should use common sense and their best judgment, and then go ahead.

F. Dale Robertson

F. Dale Robertson, Chief
December 19, 1989

U.S. Forest Service 'Pilot' project review

Appendix III

Summary of key points

The following summaries list in point form some of the ideas and concepts that were given to our team as we visited each of the U.S. Forest Service work units.

This is by no means inclusive of all the information heard or available, it is only a sample of the main points.

❑ **Ochoco National Forest:**

- Integrated resource management depends on integrated personnel management.
- The *Pilot* was initiated by the 'chief' but grew from the bottom.
- Middle managers (regional staff) resisted the most. They have to be brought on board by keeping them informed.
- A cultural transition takes six to seven years to effect. Be patient and be persistent: "never holler whoa in a bog hole."
- Keep emphasising the positive: "the stories we tell shape the culture of the organization."
- There was one instance where an employee group chose to put money from an employee incentive program into a district project rather than keep it for themselves.
- Monitoring role increases with delegation. Monitor by involvement rather than by controls.
- Innovation is led by the top, built from the bottom and resisted by the middle.
- Organization innovation is: intuitive, fast, led from the top, bottom-up, reasoned and reasonable, measurable, effective, and supported by vision. Mistakes are supported if they are reasoned and reasonable.
- Treat all staff equally but don't treat all staff the same.
- Dissenters in a group create diversity.
- Positive reinforcement creates an environment from which people are not likely to defect and which they are likely to defend, promote, and improve.
- *Pilot* can't sustain itself or be able to rely on the energy of only one person. The coordination and work has to be spread out.
- Management has to keep the 'spirit' alive. If leadership is changed, the replacement must be someone who is also enthusiastic about the philosophy.
- An initiative will take off at first due to staff enthusiasm but will plateau and even subside as most of the initial ideas are brought out and implemented.
- Ochoco staff found that 70 per cent cent of the changes they wanted to make were within their own power to change.
- The only way to discover limits is to go beyond them.
- Local 'champions' may spend much time promoting the cause outside of their work unit causing a drain on local resources.

Supervisor's Office
Ochoco National Forest
P.O. Box 490
Prineville, Oregon
U.S.A. 97754

Contact: Rod Collins, administration officer

❑ **Region 9 headquarters - Milwaukee:**

- Instead of the traditional regional forester with two deputies, they operate a team of three regional foresters.
- Interdisciplinary 'strategy teams' are used to discuss issues and solve problems. Meetings are held daily.
- Meetings and communication take time but is worthwhile in the long-term.
- A staff learning centre was developed in a quiet and central location.
- Issues do not reside in functions, they are dealt with in integrated teams. People help each other and have ownership of each others problems.
- All meetings are open door, anyone can attend.
- Two years after *Pilot* was introduced, Region 9 initiated *Project Spirit* – in a method they termed as a "significant event" – in other wards. The regional headquarters staff visited each forest to enthusiastically promote *Project Spirit*.
- Upper level executive support was essential.
- Generally 70 per cent of the changes desired were within the authority of the local office.
- More training is required in consensus and conflict resolution.
- Lots of ideas were generated. It was important to have a willingness and a process in place.
- Union has to be involved in any change.
- Regions and forests allocated manpower resources and funding to *Project Spirit*. One full-time coordinator at the region and half-time coordinators at each forest.
- Good ideas are networked between forests and regions.
- Leaders have to be picked with specific qualities, i.e. visionary, facilitator.

U.S. Forest Service 'Pilot' project review

- Employee ideas and suggestions have to be acted upon.
- No problems have been identified in terms of inconsistency in dealing with clients.
- Region 9 is meeting its targets and has high morale.
- USFS has always had the philosophy that "people are the greatest resource." They started from that basis.
- Empowering employees allowed them to be in more control of their work and their destiny.
- *Project Spirit* addressed the needs of the employees first; productivity and customer service resulted.
- Significant achievement was gained by going to a two-year budgeting cycle where funds could be carried into the second year.
- Interface between Region 9 and Washington headquarters was sometimes difficult because Washington operated on functional lines, which was contrary to how Region 9 was trying to operate.

United States Forest Service
Eastern Region
310 West Wisconsin Avenue
Milwaukee, Wisconsin
U.S.A. 53203

Contact: John Locke, staff officer

❑ **Mark Twain National Forest:**

- Must let employees know that not all ideas will be implemented nor will all ideas work, however, encourage them to keep trying.
- Ideas come from anyone and follow a process to the forest steering committee for discussion. Then, depending on the scope of the issue, the idea may go to a regional steering committee and then to the national steering committee. *Pilot* coordinators facilitate this process.
- Some ideas come in anonymously and some come from groups.
- Mark Twain National Forest wants to move in the direction of 'total quality management.'
- Management personnel initially spent 15 per cent of their time on *Pilot*. Now the time spent is negligible.
- As authority is delegated, classifications have to be looked at.
- Technicians in the districts took a couple of years to come on board. Some didn't want the extra responsibility and risk.
- Staff in a couple of the ranger districts selected their ranger.
- An award system was developed that allowed the ranger to give one of his employees $1,000 for performance. Another award system, developed by the local shop steward, enabled each employee to give to another employee a $35 certificate for recognition of assistance or a good job. This was allowed each year.
- Manuals weren't looked at very much, only dusted once in a while.
- Not much time is spent checking and auditing anymore.
- Mistakes have to be accepted as a part of any initiative.
- Functional approach to management being replaced by a team approach.

Supervisor's Officer
Mark Twain National Forest
401 Fairgrounds Road
Rolla, Missouri
U.S.A. 65401

Contact: Bob Steffens, administration officer

❑ **Washington USFS headquarters:**

- *Pilot* was based on no 'official' program. It was based on the premise that people wanted to and would make the changes if they were empowered to do so.
- The chief said to the *Pilot* units: we trust you, take more risks, be innovative, push out to the edge. He personally visited all the pilot districts and met with the staff and their families to reinforce his support.
- He said to the elected officials: do you want us to be productive and make good land-use decisions, or do you want us to be robots?
- Start with empowering the people then move to 'total quality management,' not before. *Pilot* reduced barriers and got employees closer to their customers.
- Functional organizations deter integration.
- A natural evolution: empower people (internal) -> customer service (external) -> total quality management (TQM).
- Work culture then quality management.
- Ways and means of measuring effectiveness should be in place.

Public Affairs Office Service
USDA Forest Service
2nd Floor, Central Wing
Auditors Building
14th and Independence Avenue SW
Washington, D.C.
U.S.A. 20250

Contact: Bill Delaney, national *Pilot* co-ordinator (P.O. Box 906090, Washington, D.C. 20090-6090)

Appendix IV

Measures of success of USFS national test *Pilot*

Productivity:

The National Forests and research stations involved in the *Pilot* test have improved productivity by significant amounts.

Example:

Ochoco National Forest increased productivity by 35 per cent cent in the first year of the *Pilot* by cutting costs across the board, (but particularly in administration), while meeting, and in some cases exceeding, their planned production levels.

The average increase in productivity for all *Pilot* units over the past several years has been 10 per cent a year. The average productivity gain for the U.S. government in general has been less than one per cent.

Activity unit cost reductions:

Pilot units have reduced costs in many activities by significant amounts.

Example:

The 'lump sum' budget process is estimated to have reduced time/effort spent on budget planning, review, and monitoring by as much as 50 per cent.

One *Pilot* forest has estimated that before the 'lump sum' budget, 20 per cent of their total time, (executive as well as administrative), was spent managing the budget. Therefore, this one change could result in a savings of 10 per cent of the units workforce: application of this change service - wide would result in a savings of millions of dollars.

Reducing red tape and delegating more authority to the field level has resulted in significant savings in program areas, such as range permit administration and special land uses.

Where it once took an average of four weeks to process a range allotment adjustment, the process can now be accomplished in a couple of hours.

Ratio of administrative staff to operational staff:

As a result of the concentrated effort to reduce the overall bureaucracy (red tape, rules, regulations, approvals, etc.), the percentage of administrative staff to operations staff, (people on the ground), has declined.

Example:

The Region 9 office, since becoming a *Pilot* test unit, has reduced its office staff from 350 FTEs to 200 FTEs and is targeting to reduce to about 180 FTEs.

This reduction is a direct result of new flexibility which have allowed Region 9 to shift people from regional office to field offices.

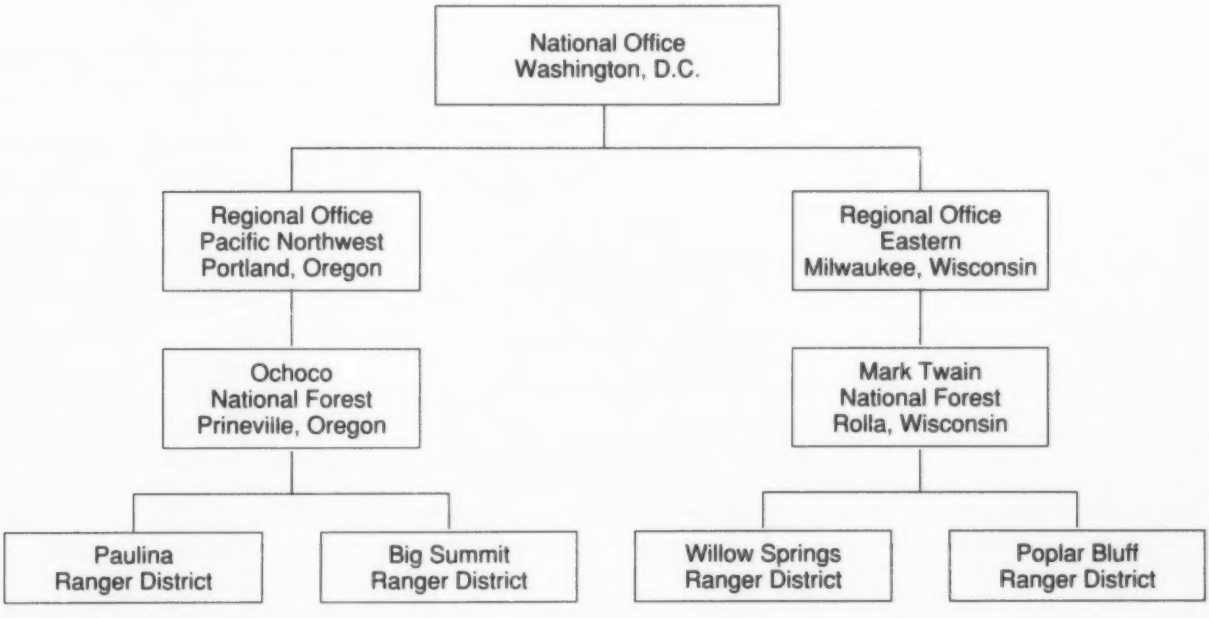
U.S. Forest Service 'Pilot' project review

Appendix V

USFS organization

Following is a brief outline of the USFS organization and structure.

- Established as the USFS in 1905.
- Mission: to provide a continuing flow of natural resource goods and services to help meet the needs of the nation and to contribute to the needs of the international community.
- National Forest System: consists of nine regions, 156 national forests, 19 grasslands, and 15 land-use projects.
- Hierarchy consists of four levels (see chart below).
- Important facts:
  - total area: 77.3 million hectares (191 million acres) 17 per cent of total land base;
  - annual harvest: 50 million cubic meters (10.5 million board feet); and,
  - permanent full-time employees: 32,375.



Appendix VI

Book list

Title	Author	Publisher
From Vision to Reality	Russell M. Linden, Ph.D.	LEL Enterprises
In Search of Excellence	Tom Peters	Harper and Row Publishers
Thriving on Chaos	Tom Peters	Harper and Row Publishers
The Employee Handbook for Organizational Change	Price Pritchett and Ron Pound	Pritchett and Associates, Inc.